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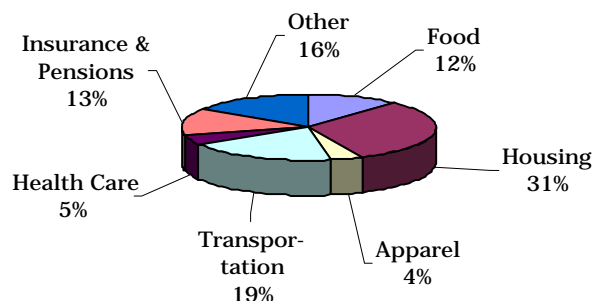
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CONSUMER SPENDING PATTERNS IN THE MINNEAPOLIS-ST. PAUL AREA, 1997-98

Minneapolis-St. Paul area consumer units spent an annual average of \$47,198 in 1997-98, approximately 35 percent more than the national average. Household pretax income in the Twin Cities, at \$53,543, was nearly 31 percent above the average for the nation. Minneapolis-St. Paul area consumers spent 40 percent more on transportation, 28 percent more on housing, and 17 percent more on food than did the average U.S. household. (See table 1.)

Overall, Minneapolis households spent a smaller share (the expenditure on a component divided by total expenditures) of their total budget for food, housing, apparel, and health care than did the average household nationwide. Expenditures for housing, transportation, and food accounted for 62 percent of household spending. (See table 2.)

**Minneapolis-St. Paul Expenditure Shares
Consumer Expenditure Survey, 1997-98**



This report is based on data from the Consumer Expenditure Survey that is conducted on an ongoing basis by the Bureau of Labor Statistics. Survey data are collected for BLS by the Bureau of the Census. This is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. This is because expenditures vary among areas,

not only because of economic factors such as the price of goods and services and family income, but also because of differences in the age of the population, climate, consumer tastes, and family size. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

Spending on housing accounted for 31.3 percent of expenditures in the Minneapolis-St. Paul area. This was a smaller share than was spent in Chicago, Milwaukee and Detroit. Nationally, 64 percent of households owned their own homes, whereas in Minneapolis-St. Paul, 69 percent were homeowners. The majority of housing expenditures in Minneapolis (55 percent) was for shelter which includes mortgage interest, property taxes, repairs, and rent, among other items. In comparison, 59 percent of housing expenditures in Chicago was for shelter costs. Utilities, fuels and services accounted for 15.5 percent of housing expenses--a smaller percentage than the 20.9 percent spent nationally, the 21.3 percent spent in Detroit, or the 19.9 percent spent in Chicago.

Transportation was the second largest expenditure category, accounting for 19.3 percent of total expenditures. Minneapolis households owned 2.6 vehicles on average, higher than the 2.0 vehicle average for the U.S. Net outlays (purchase price minus trade-in) for a new or used car, van, or truck comprised 45 percent of transportation expenditures. Local residents spent 6.4 percent of their total transportation budget on public transportation. This was close to the national average of 6.3 percent but well below the 9.5 percent spent by Chicagoans.

Minneapolis-St. Paul households spent an average of 11.9 percent of their budget on food compared to 13.6 nationally. Over half (58 percent) of this expense was spent on food prepared at home while the remaining 42 percent was spent on food away from home including meals in restaurants or cafeterias (including school) or for carry-out.

Spending on apparel and related services in Minneapolis accounted for 4.1 percent of total expenditures. This was a smaller share than the 4.9 percent national average or the shares in Chicago and Detroit, but above the 3.8 percent spent by Milwaukee area consumers.

Local expenditures for personal insurance and pensions accounted for nearly 13 percent of total consumer spending. Social Security and pensions accounted for 94 percent of spending in the category.

Reported out-of-pocket health care expenses accounted for 4.6 percent of total expenditures in Minneapolis-St. Paul, about the same as in Detroit. Nationally, consumers spent 5.3 percent of their budget on health care.

Spending for entertainment, personal care products and services, reading materials, and education were all at, or close to, the national average.

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Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered on the BLS Internet site (<http://stats.bls.gov/csxhome.htm>) under the heading "Tables."

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1998 - national news release (annual)	2	2705
CEX expenditure data		
By quintiles of income before taxes (Table 1)	3	2710
By income before taxes (Table 2)	3	2715
By age of reference person (Table 3)	3	2720
By size of consumer unit (Table 4)	3	2725
By composition of consumer unit (Table 5)	3	2730
By number of earners (Table 6)	3	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	3	2740
By region of residence (Table 8)	3	2745
By occupation of reference person (Table 9)	3	2750
By education of reference person (Table 10)	3	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI).

The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods, and an Interview survey in which the expenditures of consumer units are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

The metropolitan statistical areas covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Due to a change in sampling frame and in area definitions, local data for the 1997-98 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

Detroit-Ann Arbor-Flint, MI, includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

Cleveland-Akron, OH, includes the counties of Ashtabula, Cuyahoga, Geauga, Lake, Lorain, Medina, Portage, and Summit.

Chicago-Gary-Kenosha, IL-IN-WI, includes the counties of Cook, Dekalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

Minneapolis-St. Paul, MN-WI, includes the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, Pierce, and St. Croix in Wisconsin.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment

income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Average annual expenditures, U.S. average and selected Midwest metropolitan areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Minneapolis - St. Paul	Chicago	Detroit	Milwaukee
Income before taxes 1/	\$40,770	\$53,543	\$43,160	\$43,557	\$47,403
Average annual expenditures	\$35,097	\$47,198	\$36,497	\$35,658	\$36,310
Food	4,789	5,607	4,978	5,057	4,537
Food at home	2,830	3,253	2,874	2,920	2,579
Food away from home	1,960	2,354	2,105	2,137	1,958
Alcoholic beverages	309	525	312	331	391
Housing	11,509	14,766	13,071	11,789	13,333
Shelter	6,513	8,135	7,695	6,809	8,114
Utilities, fuels and services	2,408	2,292	2,598	2,505	2,224
Household operations	543	736	559	492	418
Housekeeping supplies	469	572	592	404	478
Household furnishings	1,576	3,030	1,627	1,580	2,099
Apparel and services	1,704	1,927	2,007	1,652	1,372
Transportation	6,539	9,129	5,859	7,069	6,176
Vehicle purchases (net outlay)	2,851	4,117	2,557	2,629	2,599
Gasoline and motor oil	1,057	1,258	982	1,055	1,036
Other vehicle expenses	2,218	3,168	1,766	2,915	2,048
Public transportation	413	585	554	470	493
Health care	1,872	2,184	1,976	1,604	1,806
Entertainment	1,756	2,404	1,828	2,295	1,664
Personal care	401	482	440	431	335
Reading	162	219	157	168	199
Education	575	766	811	305	364
Tobacco	268	276	239	352	424
Miscellaneous	854	1,515	773	830	1,123
Cash contributions	1,056	1,323	872	872	914
Personal insurance and pensions	3,303	6,075	3,173	2,903	3673

1/ Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Consumer unit characteristics and distribution of expenditures, U.S. average and selected Midwest metropolitan areas, Consumer Expenditure Survey, 1997-98

Item	United States Average	Minneapolis- St Paul	Chicago	Detroit	Milwaukee
Income before taxes 1/	\$40,770	\$53,543	\$43,160	\$43,557	\$47,403
Age of reference person	47.7	47.3	48.1	48.6	49.8
Earners	1.3	1.5	1.4	1.3	1.5
Vehicles	2.0	2.6	1.6	2.0	2.2
Percent homeowner	64	69	64	72	66
Average annual expenditures	\$35,097	\$47,198	\$36,497	\$35,658	\$36,310
Percent distribution:	100.0	100.0	100.0	100.0	100.0
Food	13.6	11.9	13.6	14.2	12.5
Food at home	8.1	6.9	7.9	8.2	7.1
Food away from home	5.6	5.0	5.8	6.0	5.4
Alcoholic beverages	.9	1.1	.9	.9	1.1
Housing	32.8	31.3	35.8	33.1	36.7
Shelter	18.6	17.2	21.1	19.1	22.3
Utilities, fuels and services	6.9	4.9	7.1	7.0	6.1
Household operations	1.5	1.6	1.5	1.4	1.2
Housekeeping supplies	1.3	1.2	1.6	1.1	1.3
Household furnishings	4.5	6.4	4.5	4.4	5.8
Apparel and services	4.9	4.1	5.5	4.6	3.8
Transportation	18.6	19.3	16.1	19.8	17.0
Vehicle purchases (net outlay)	8.1	8.7	7.0	7.4	7.2
Gasoline and motor oil	3.0	2.7	2.7	3.0	2.9
Other vehicle expenses	6.3	6.7	4.8	8.2	5.6
Public transportation	1.2	1.2	1.5	1.3	1.4
Health Care	5.3	4.6	5.4	4.5	5.0
Entertainment	5.0	5.1	5.0	6.4	4.6
Personal care	1.1	1.0	1.2	1.2	.9
Reading	.5	.5	.4	.5	.5
Education	1.6	1.6	2.2	.9	1.0
Tobacco	.8	.6	.7	1.0	1.2
Miscellaneous	2.4	3.2	2.1	2.3	3.1
Cash contributions	3.0	2.8	2.4	2.4	2.5
Personal insurance and pensions	9.4	12.9	8.7	8.1	10.1

1/ Components of income and taxes are derived from "complete income reporters" only: see definitions.